ICC DOCKET NO. 00-0815
Response to Staff Data Request TQS 1.01 – TQS 1.17

TQS 1. **Referring to Journal Entry 2, will any fuel (e.g. gas cost recorded in Journal Entry 1) cost be allocated to non-utility steam or chilled water services? Provide detail, including the formula for allocating such fuel cost.**

Response: Yes. All fuel is allocated between Accounts 555 and 421 as described below. CILCO will then credit Account 234 for the portion of the fuel cost that is used to provide steam heat service and chilled water service. The FAC will receive a credit for purchased power costs from Medina associated with sales to Caterpillar and off-system sales.

To allocate the fuel, the number of kilowatt hours produced will be determined by subtracting the electricity used to run the electric centrifugal chillers (the chiller plant is submetered) from plant production. The amount of steam produced will be determined by subtracting the steam required to run the steam absorption chillers (the chiller plant is submetered) from plant production. The fuel then will be allocated according to the following calculations:

kWh produced X 6,800 Btu/kWh = Fuel used to generate electricity in Btu
Fuel used to generate electricity / 1,000,000 BTU = Fuel used in generate electricity in mmBtu (MCF)
Steam produced in thousands of pounds (klb) X 1.361 mmBtu = Fuel used to generate steam in mmBtu (MCF)
The remaining fuel will be allocated to chilled water production

For purposes of this example, the potential effect of any Heat Rate Bonus or Heat Rate Payment per Section 7.2 of the Tolling Agreement has not been included. The actual Heat Rate Bonus/Payment will be calculated monthly as described in Exhibit F of the Tolling Agreement. For purposes of this example, the following assumptions were made:

6,800 Btu/kWh is the plant's electric heat rate
1.361 mmBtu is the plant's steam heat rate
1 thousand cubic feet (MCF) = 1 million Btu (mmBtu)

Here is a numerical example of the calculation:

Total gas burned = 263,348 MCF

kWh = 21,556,000 kWh total – 724,000 kWh used for chillers = 20,832,000 kWh
20,832,000 kWh X 6,800 Btu/kWh = 141,657,600,000 Btu
141,657,600,000 Btu / 1,000,000 = 141,658 MCF

Steam = 99,006 klb – 42,216 klb used for chillers = 56,790 klb
56,790 klb X 1.361 = 77,291 MCF

263,348 - (141,658+77,291) = 44,399 MCF used in chiller plant

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